

Atty. Docket No. YOR9-2000-0138US1
(590.010)

REMARKS

Applicants and the undersigned are most grateful for the time and effort accorded the instant application by the Examiner. The Office is respectfully requested to reconsider the rejections presented in the outstanding Office Action in light of the following remarks.

Claims 24 and 26 have been objected to as substantial duplicates of Claims 10 and 13. For the purposes of examination, however, the Office assumed that Claims 24 and 26 depended from Claim 15, rather than Claim 1. These claims have now been amended so they recite dependency from Claim 15, which corrects an obvious typographical error.

Claims 1-28 were pending in the instant application at the time of the outstanding Office Action. Claims 1, 2, 10, 11, 15, 16, 24, and 24 stand rejected under 35 U.S.C. 102(b) as being anticipated by Neel et al.. Claims 3-9, 12, and 17-23 stand rejected under 35 U.S.C. 103(a) as being obvious over Neel et al. in view of Russo. Claims 13, 14, 26, and 27 stand rejected under 35 U.S.C. 103(a) as being obvious over Neel et al. in view of Hunter. Claim 28 stands rejected under 35 U.S.C. 103(a) as being obvious over Neel et al. Claims 1, 15, and 28 are independent claims; the remaining claims are dependent claims. Reconsideration and withdrawal of the present rejections are hereby respectfully requested.

In accordance with the present invention, all media delivered by the broadcaster are preferably assigned a value from the consumer's point of view. Entertainment or information content is assumed to have a positive value. Advertising content is assumed

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to have a negative value. (Page 3, lines 7-10) Thus, as recited in the specification, the present invention broadly contemplates a method whereby a computer maintains an "account" of the positive- and negative-value content that has been presented to the consumer, and uses the balance in that account to determine the rules for future behavior of the presentation device. (Page 3, lines 12-15)

At best understood, Neel et al. is directed to "an interactive video system for enabling interactive advertisements and advertiser pay-per-view and video-on-demand video programming." (Col. 1, lines 7-9) In Neel et al., "customers are given the option of paying for the pay-per-view or video-on-demand services with a credit or debit card or billing the transaction to their room bill ... or having one or several advertisements transmitted in conjunction with the service and having the advertiser pay for the video programming." (Col. 4, lines 51-56). The reason advertisers would pay for the program is that the system is "capable of collecting and storing interactive data provided by system users in response to [the] product advertising." (Col. 2, lines 62-63) This contrasts with the present invention.

Independent Claims 1 and 15 recite "a controller which attributes at least one credit value to at least one portion of **received media input**" and "attributing at least one credit value to at least one portion of **received media input**", respectively (emphasis added). At a minimum, each of these elements is not present in Neel et al. Applicants respectfully submit that Neel et al. cannot "anticipate" the present invention because "[a]nticipation requires the disclosure in a single prior art reference of each element of the

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claim under consideration." *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1554 (Fed. Cir. 1983).

A 35 U.S.C. 103(a) rejection requires that the combined cited references provide both the motivation to combine the references and an expectation of success. Not only is there no motivation to combine the references, no expectation of success, but actually combining the references would not produce the claimed invention. Thus, the claimed invention is patentable over the combined references and the state of the art.

As best understood, Russo is directed to "a system capable of storing one or more pay programs, and wherein a user is responsible for payment only after a particular selection has been viewed or enjoyed." (Col. 1, lines 6-8) When a pay program is recorded, "the recording itself may take place at any time preceding playback, [however,] billing occurs only when, and if, the subscriber chooses to select a program for replay or actually enjoys the program substantially. The billing may alternatively be based on a store-credit billing or account debiting scheme" (Col. 3, lines 6-11) Account debiting occurs when the system is two way. (Col. 6, lines 25-27)

The teachings of Russo and Neel et al. are fundamentally incompatible. In Russo, a user is responsible for making a monetary payment "only after a particular selection has been viewed or enjoyed." In Neel et al., a monetary payment must be made prior to viewing, however, the payment may be made by either the user or an advertiser. There can be and is no suggestion to combine the teachings of Russo and Neel et al. given this fundamental difference between the references. Furthermore, as this fundamental

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difference illustrates, combining the teachings of these references would not be successful.

Applicants specifically traverse the Section 103(a) rejection against Claim 28.

This claim is in a format commonly referred to as a *Beauregard* claim, after the format of a claim in *In re Beauregard*, 35 USPQ2d 1385 (1995), in which the Commissioner stated "that computer programs embodied in a tangible medium, such as floppy diskettes, are patentable subject matter under 35 U.S.C. § 101 and must be examined under 35 U.S.C. § 102 and 103." As discussed herein, Applicants take issue with the statement supporting this rejection that Claims 1 and 15 are disclosed by Neel et al. Applicants' position is that if Claims 1 and/or 15 are allowable, then Claim 28 is also allowable. Applicants respectfully request clarification of this rejection if it is based on something other than the allowability of Claims 1 and/or 15.

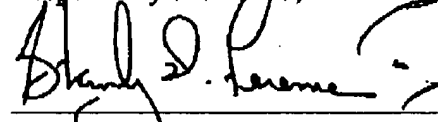
In view of the foregoing, it is respectfully submitted that Claims 1, 15, and 28 fully distinguish over the applied art and are thus in condition for allowance. By virtue of dependence from Claims 1 and 15, it is thus also submitted that Claims 2-14 and 16-27 are also allowable at this juncture.

The "prior art made of record" has been reviewed. Applicants acknowledge that such prior art was not deemed by the Office to be sufficiently relevant to have been applied against the claims of the instant application. To the extent that the Office may apply such prior art against the claims in the future, Applicants will be fully prepared to respond thereto.

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In summary, it is respectfully submitted that the instant application, including Claims 1-28, is presently in condition for allowance. Notice to the effect is hereby earnestly solicited. In the unlikely event the Office does not agree the application is in condition for allowance, the Office is invited to call the undersigned to discuss the claims prior to the issuance of a second Office Action.

Respectfully submitted,



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